

**Economics Sub-committee Fifth Meeting - Comprehensive Solid Waste
Management Plan Working Group**

March 26, 2003

Members present:

Harold Ward, Atiyah Curmally, Susanne Greschner, Dante Ionata, Sally Johnson,
Michael McGonagle, Chris Ratcliff, Shim Silverstein

The members present approved the minutes of the previous sub-committee meeting.

The group reviewed the outline of the interim report.

Data provided by Dante on municipal caps was reviewed. Calculation of the caps was discussed and it was recommended that future reductions in the caps be tied to targets set out for source reduction and recycling to be defined in the updated Comprehensive Plan. It was also recommended that other considerations to be taken into account were population increase updates, population density, and demographic characteristics. The caps in this manner could be used to motivate behavior. Mike further suggested that the sub-committee recommend a formal way for the caps to be updated on a regular basis.

It was also decided that the sub-committee recommend the implementation of a municipal-level trading program whereby towns and municipalities are permitted to trade cap limits among themselves. The difference in the \$50 and \$32 tip fees would provide the incentive. It was added that the effectiveness of such a scheme would depend on it being administered efficiently. Shim added that a mechanism be included by means of which the cap could be adjusted. He gave the example of the addition of a new apartment complex in South Kingstown to illustrate the need for this. Sally suggested the cap calculation be modified to no longer account for public schools as having an allocation separate from the rest of the municipality as this amounted to double counting of students who were also counted as members of the municipality and accounted for in the allocation of the municipal cap.

Shim reemphasized the importance of public awareness with regard to the success of recycling and suggested that a recommendation in this regard come from the sub-committee.

The sub-committee went over the John Trevor's contribution with regard to the implementation of PYT programs in Rhode Island. It was suggested that the bulk of the suggestions be included as an appendix to the interim report. The body of the report would emphasize the recommendation being made that PYT programs would require some form of subsidy with more details to be forthcoming at a later stage. The group discussed the idea of using incentives to reward achievement. The example of the revenue sharing system that used to be implemented by the MRF was given.

Next, the recommendations made by Chris were examined. It was verified that the scenarios run by Harold looking at the cost of increases in recycling did not include sorting and baling costs. It was decided that the cost of recycling was substantial.

However it was likely that this cost would be lessened somewhat and even be revenue neutral with the introduction of a trading program. Harold suggested that scenarios be examined for select towns and municipalities that looked at the effect of a trading program on costs given increases in recycling. This aspect would be included in the interim report. The survey being conducted by RIRRC under Mike Messoella was likely to have collection costs by the different towns and Mike McGonagle would look into getting some of these for use by the sub-committee in the interim report.

The recommendations made by Carole Bell were looked at next. It was decided that better enforcement at the landfill take place at the tipping face to ascertain the extent of recyclables being tipped. Harold suggested that regulation incorporate rules with regard to enforcement especially with regard to evidence needed to document violations and ways in which to retain the integrity of the chain of evidence.

Sally suggested that the interim report list the different economic incentives available for use by the sub-committee. These were listed as tipping fees, PYT programs and the use of municipal caps to provide incentives.

With regard to commercial tipping fees it was agreed that the level be set with regard to out of state costs. This may be priced above or below the out of state rate depending on if the goal is taking care of 100% of Rhode Island's commercial waste in-state or if a decision is made to export some portion of the commercial waste.

Next, Carole Bell's point with respect to the lack of incentives faced by small commercial generators was examined. It was suggested that it was not profitable for these small generators to separate recyclables themselves and that the use of cooperatives be made by several generators to take advantage of economies of scale. It was suggested that the institutional barriers that prevent the use of such cooperatives be overcome by use of grants to promote such cooperatives. It was suggested that a recommendation be incorporated in the interim plan that suggested use of such cooperatives. Further, the use of resource management techniques may also be implemented.

With regard to operating costs it was decided that costs were required for landfilling, recycling, composting and special wastes. Mike explained that the spreadsheets provided by him to the sub-committee may be used by Susanne to complete her section for the interim report on incentives faced by RIRRC as costs detailed included field operations, recycling costs and administration costs. Field operations for the most part consisted of landfill operations with the exception of costs for composting and special wastes.

Susanne asked about the rate schedules with regard to different types of waste. Dante said that he would send this rate and price schedule out to the sub-committee.

Sally offered to help with GIS mapping and display of information for the report.

Harold expected to have the interim report ready for comments from the sub-committee by 4 April 2003.